

Exhibit B

Page 1

1 ** H I G H L Y C O N F I D E N T I A L **
2 IN THE UNITED STATES DISTRICT COURT
3 FOR THE NORTHERN DISTRICT OF ILLINOIS
4 NO. 16 C 5486

5 -----x
6 VIAMEDIA, INC.,

7 Plaintiff,

8 - against -
9

10 COMCAST CORPORATION and COMCAST
11 SPOTLIGHT, LP,
12 Defendants.

13 -----x
14 September 22, 2017
15 9:46 a.m.

16 Videotaped Deposition of GREG
17 SCHAEFER, taken by Plaintiff, pursuant to
18 Subpoena, held at the offices of Sullivan &
19 Worcester LLP, 1633 Broadway, New York, New
20 York, before Todd DeSimone, a Registered
21 Professional Reporter and Notary Public of
22 the State of New York.

23 Veritext Legal Solutions
24 Mid-Atlantic Region
25 1250 Eye Street NW - Suite 350
 Washington, D.C. 20005

1 nodding, those answers won't come through
2 in the transcript. Is that okay?

3 A. Okay.

4 Q. Similarly, because we have a
5 court reporter trying to take everything
6 down, if you could please wait for me to
7 finish my questions before you begin your
8 answer, and I'll do my best to wait for you
9 to finish your answers before I begin the
10 next question. Is that fair?

11 A. Yes.

12 Q. If you don't understand a
13 question, please just let me know and I'll
14 restate it. Is that okay?

15 A. Fair.

16 Q. If you answer a question, I'm
17 going to assume that you understood. Is
18 that okay?

19 A. Uh-huh.

20 Q. Your lawyer may object to some
21 of my questions today. Unless he instructs
22 you not to answer, I ask that you please
23 answer the question. Is that okay?

24 A. Yes.

25 Q. And if you need to take a break

1 at any time, just let me know. The only
2 request I have is that if there is a
3 question pending, please answer it and then
4 we'll go ahead and take a break.

5 A. Okay.

6 Q. Sound good?

7 A. Yes.

8 Q. Is there any reason today that
9 you can't give truthful testimony?

10 A. No.

11 (Viamedia Exhibit 232 marked
12 for identification.)

13 Q. Mr. Schaefer, I have handed you
14 what has been marked as Exhibit 232.

15 Have you seen this notice
16 before?

17 A. Yes.

18 Q. Please take a minute and look
19 at the list of topics at the end.

20 (Witness perusing document.)

21 A. Okay.

22 Q. Do you recognize those topics?

23 A. Yes.

24 Q. You reviewed them --

25 A. Yes, I did.

1 Q. -- before?

2 A. I reviewed them extensively.

3 Q. Great. And if you could
4 please, again, wait for me to finish the
5 question before we move on just because we
6 are going to start talking over each other.

7 So you understand that you are
8 here to testify today about each of those
9 topics?

10 A. Yes.

11 Q. And you're prepared to testify
12 about the scope of NCC's knowledge about
13 each of those topics?

14 A. Yes.

15 Q. How did you prepare for today's
16 deposition?

17 A. I, first of all, we needed to
18 gather a lot of information. We reviewed
19 the topics and the information we were
20 going to gather. I instructed my IT
21 division in Bloomfield to pull a set of
22 lists that would answer the questions, that
23 the formal request came from Kevin, my
24 attorney, and once the information was
25 gathered, I reviewed it extensively, and,

1 you know, had to go through old board
2 meetings to remember some of the
3 information and familiarize myself with my
4 way of thinking maybe in 2013 or '11 or
5 whatever.

6 After that, as there were
7 questions pertaining to NCC with Viamedia,
8 I went through an extensive review with all
9 of my regions as well as my SVP of sales
10 and affiliate sales to get the most up to
11 date information as to how we were doing
12 with Viamedia.

13 Q. Did you speak with anyone else
14 in preparing for today's deposition?

15 A. No.

16 Q. Did you confer with your lawyer
17 at all about today's deposition?

18 MR. COLMEY: That's just a yes
19 or no for now. I just want to be careful.

20 A. Yes.

21 Q. Did you speak to any Comcast
22 employees?

23 A. No.

24 Q. Did you speak to any attorneys
25 from Comcast?

1 A. No.

2 Q. Did you speak to any former NCC
3 employees?

4 A. No.

5 Q. You mentioned an SVP of sales.
6 Who is that?

7 A. Chip Carmody.

8 Q. Was anyone else involved in
9 pulling the documents that were ultimately
10 produced by NCC in this case?

11 A. No.

12 Q. And are you being represented
13 today by counsel?

14 A. Yes.

15 Q. And who is that?

16 A. Kevin Colmey, Sullivan &
17 Worcester, and Lewis Segall.

18 Q. And are you being compensated
19 for your time here today?

20 MR. COLMEY: I object to form.

21 Q. You can answer.

22 A. Yes.

23 Q. By whom?

24 A. I'm not sure if I understand
25 the question.

1 Q. Are you being compensated for
2 your time here today separate and apart
3 from your compensation from NCC?

4 A. No, absolutely not.

5 Q. Great. So what is NCC,
6 Mr. Schaefer?

7 A. NCC is -- we are a national rep
8 firm. It's a consortium and a partnership
9 between three of the major cable operators,
10 MVPDs, as we call them, in the United
11 States.

12 So for them, we are an O&O, and
13 for every other affiliate in the country,
14 we represent in 210 markets, we are their
15 national representative.

16 Q. When you say a national rep
17 firm, do you mean that NCC is a national
18 spot cable ad representative?

19 A. Yes.

20 Q. And you referred to it as a
21 consortium. Can you explain what you mean
22 by that?

23 A. It is a partnership.

24 Q. A partnership among?

25 A. Three cable operators.

1 Q. Which three cable operators?

2 A. Comcast, Charter and Cox.

3 Q. And you also used the phrase an
4 O&O. Can you explain what that is?

5 A. Owned and operated.

6 Q. And what did you mean by you
7 are an O&O for every other affiliate in the
8 country?

9 A. That's not what I said. O&O,
10 owned and operated situation, for the three
11 companies that own NCC.

12 Q. Got it, apologies.

13 And what is your
14 representation -- what is your relationship
15 with the other affiliates you mentioned?

16 A. We are their exclusive national
17 representative.

18 Q. And you referred to 210
19 markets; is that correct?

20 A. That's the television markets
21 in the United States.

22 Q. Is that all of the markets in
23 the United States?

24 A. Yes.

25 Q. And does NCC have a presence in

1 Q. Direct response advertising,
2 does that refer to when they are soliciting
3 phone calls?

4 A. Yes.

5 Q. Infomercial type stuff?

6 A. Yes.

7 Q. Is TelAmerica a competitor of
8 NCC's?

9 A. Yes.

10 Q. Only in the market for remnant
11 advertising?

12 A. Only from the standpoint of
13 they are representing themselves as a
14 network advertiser, but, in my estimation,
15 they are taking money that could -- they
16 are taking inventory that could go to spot.

17 Q. Do you consider them to be a
18 meaningful competitor to you in the market
19 for national spot cable advertising
20 representation?

21 A. No.

22 Q. You mentioned that NCC is a
23 consortium of three cable companies, and I
24 believe you said it was Comcast, Cox and
25 Charter; is that right?

1 A. Yes.

2 Q. What is the ownership
3 structure?

4 A. You have the LLC, right?

5 Q. We do, yeah. We'll get to the
6 documents later.

7 But as the president and CEO of
8 NCC, what is the ownership structure?

9 MR. TOSCANO: Objection to
10 form.

11 Q. You can answer.

12 A. It's 60 percent -- 60 percent
13 equity with Comcast and 20 with the other
14 two.

15 Q. Do you know how it came to be
16 that Comcast owns 60 percent, but the other
17 two only own 20?

18 A. I think when they bought -- my
19 recollection, because it actually happened
20 before I got there, my recollection was
21 that they bought what was then the old AT&T
22 cable systems, and at that point they
23 accumulated a large portion of the NCC
24 revenue at that point, and that's how --
25 and it was set up to be that piece of --

1 that piece of equity.

2 Q. Does Comcast's status as the
3 majority owner of NCC give it additional
4 influence over the governance of NCC?

5 A. No.

6 Q. Does NCC have a board of
7 directors?

8 A. Yes.

9 Q. And what is the structure of
10 that board of directors?

11 A. I have three bosses, three
12 board members, and they each have -- each
13 have equal vote in all major decisions that
14 I make.

15 Q. And who are those three bosses?

16 A. Charlie Thurston -- it was
17 Charlie Thurston. It is now Marcien Jinks
18 as of this year. That is Comcast. Billy
19 Farina is Cox. And David Klein is Charter,
20 which historically was a Time Warner
21 person, Joan Gillman, who represented Time
22 Warner, and Bright House, which ended up
23 merging under the acquisition of Charter --
24 by Charter.

25 Q. Got it. So just so we're

1 fell swoop?

2 A. Yes.

3 MR. RATNER: Let's go off the
4 record for a second.

5 THE VIDEOGRAPHER: The time on
6 the video monitor is 12:39 p.m. We are off
7 the record.

8 (Luncheon recess: 12:39 p.m.)

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1 A F T E R N O O N S E S S I O N

2 1:18 p.m.

3 G R E G S C H A E F E R, resumed.

4 THE VIDEOGRAPHER: We are back
5 on the record. The time on the video
6 monitor is 1:18 p.m.

7 CONTINUED EXAMINATION

8 BY MR. RATNER:

9 Q. Mr. Schaefer, were you aware in
10 2012 that Comcast decided to no longer give
11 Viamedia access to its interconnects?

12 MR. TOSCANO: Objection to
13 form.

14 A. Yes.

15 Q. How did you become aware of
16 that?

17 A. There would have been a note
18 from somebody at Comcast advising us that
19 they were no longer in the interconnect.

20 Q. Did you consult with anyone at
21 Comcast about that decision?

22 A. No.

23 Q. Did you have any insight into
24 that decision at the time it was made?

25 A. No.

1 Q. Only learned about it
2 afterwards?

3 A. Yes.

4 Q. What, at that point, did NCC do
5 to make it known to the market that
6 Viamedia was no longer in Comcast
7 interconnects?

8 MR. TOSCANO: Objection to
9 form.

10 A. We would have -- it would have
11 changed our presentations to the market to
12 reflect that.

13 Q. How so?

14 A. We would have submitted it as a
15 separate system and not the interconnect.

16 Q. But continued offering Viamedia
17 to the market, just outside the
18 interconnect?

19 A. Yes.

20 Q. You took the asterisk off of
21 Viamedia on those profiles?

22 MR. TOSCANO: Objection to
23 form.

24 A. Well, that form appears to be
25 wrong. I mentioned that earlier. It's not

1 something that I saw at the time, and I'm
2 not even sure if that's the final product.

3 Apparently that was how they
4 designed it, and they were looking -- and
5 it looks like Dan Griffin sent it to the
6 Comcast interconnect -- a national person
7 from Comcast, because it involved market
8 profiles for Chicago, Boston, I guess at an
9 earlier iteration, and Detroit, which were
10 all Comcast run -- predominant Comcast
11 markets.

12 Q. At that point in 2012 did NCC
13 represent any other systems that were
14 excluded from Comcast interconnects in
15 Chicago and Detroit?

16 A. DirecTV and Dish. I'm not sure
17 if Dish was in yet, but DirecTV
18 definitively. Dish I believe was in by
19 2012, but not in the interconnect.

20 Q. Aside from satellite companies,
21 did NCC represent any MVPDs at that point
22 that were not included in Comcast
23 interconnects in Chicago and Detroit?

24 A. No.

25 Q. Would it have been better for